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ABSTRACT

Communities with a flexible, open leadership structure may weather energy booms better than communities with old-guard leadership cliques, according to a study of community governance in two small Texas towns. Although similar in location, ethnic composition, population, access to transportation, economic base, and importance in the county, Biscayne and Egerby (pseudonyms) differed significantly in leadership. Biscayne's entrenched, elite, aging leaders, who followed policies of staunch fiscal conservatism and minimal municipal services as they attempted to preserve the past, were completely unprepared when the oil boom hit. The town grew 42% between 1970 and 1980 and crime rates soared in the face of inadequate fire and police protection. Biscayne's leaders, who reacted with depression and withdrawal into personal or energy-related business, were supplanted by leaders who engineered substantial changes and who, in effect, created a new community. In contrast, Egerby, already subjected to slight but consistent growth for 20 years, had new, sophisticated, young leaders who were accustomed to change and who had already upgraded city, medical, educational, and financial services when the boom hit. Despite a 28% population rise, Egerby experienced a stronger economy, healthy community growth, and little change in community morals or leadership. (SB)

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The Quality of Community Governance and the Impact of Energy Development*

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Energy booms are supposed to be catastrophic events that wrench the social fabric of the small community. In an earlier era, we had our Spindletops and Sour Lakes in East Texas. More recently we have had coal boom towns in the West, such as Gillette, Wyoming, and Colstrip, Montana. In the past six years, we have had an oil boom in Central Texas, and we have been able to chart the boom as it moved through two neighboring county seat towns about thirty miles apart.

One of the communities studied intensively failed to exhibit the catastrophic boom town response. In fact, it weathered the boom very well, with a minimum of social disorganization. The other town had more trouble. The question, "Why?" arises. Although it is difficult to sort out the factors involved, there is strong presumptive evidence that the quality of community governance is an important factor in how a community gets through an energy boom.

In 1970, Biscayne and Egerby[1] were two neighboring county seat towns, both agriculturally based. Biscayne was larger, 2,800 than Egerby, 2,300. Both had predominantly German-Czech populations. Both towns had success in attracting some industry

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to compensate for declining agricultural employment. Both towns were well served by railroads and highways. Egerby, though smaller, had experienced gradual growth since the 1950s, absorbing some spillover from a minor metropolitan center and a state university, 30 miles away. Biscayne's population had been static since the end of the Korean War.

Biscayne, though larger, seemed to be more insular in nature. It was run by a small elite group who, now elderly, had devoted the better part of their lives to keeping things under control. A one hundredth anniversary brochure described the community as truly God's Country, because of the great number of churches in town. City and county officials in Biscayne had a reputation in Central Texas for rather low sophistication and educational attainment. These officials were able to serve their static community well. Although the pattern in both Biscayne and Egerby was one of fiscal conservatism and low levels of public service, Biscayne followed this policy more enthusiastically than Egerby, investing little in municipal services and physical plant, and funding municipal government through electric utility charges. As a result, when the boom struck, Biscayne was not ready for growth in any way.

Egerby, on the other hand, had been subject to very slight, but consistent, growth pressures over the previous decades. A few state univerity professors and a few micropolitan businessmen sought out the small town ambience of Egerby. Before the boom struck, the water system had been upgraded, the sewer system

improved, a new high school built, a new hospital district formed, and new leadership brought into the town's financial institutions. As a result of these changes, new leadership was in place before the boom struck. Two medical doctors and two physician's assistants came to town, both banks advanced younger men, in one bank's case, outsiders, to top leadership positions. A savings and loan association was organized, industrial parks were developed. New county officials had appeared on the scene. An agressive district attorney and a new county judge enlivened local politics. All this took place before the boom came to Egerby. Thus, Egerby was accustomed to change and had a young, sophisticated leadership in place at the time the oil boom struck.

Since the oil and gas boom came, Egerby has experienced practically no change in leadership. City council is the same, county commissioners have not changed, and civic leadership has remained stable.[2] Although the oil boom brought new people and more criminal activity, law enforcement remained firm. There was rather little arson. There has been rather little change in community morals. When it has been all said and done, Egerby has survived the oil boom handsomely. There are new businesses and old institutions are stronger.

About 50 oil-related businesses have located in town; bank deposits have quadrupled in six years. A ten million dollar school bond issue was passed, new housing has been built, the local food store is putting up a new building, a savings and loan

has started up, the new hospital has opened its doors, two chain stores will be building in the shopping center, and there is now both a Pizza Hut and a Sonic. The weekly newspaper has almost doubled in size. Oil has been good to Egerby.

The oil boom came two years earlier in Biscayne. Thus, Biscayne was impacted much more and captured much more of the oil and gas service business than Egerby. Biscayne grew by 42%, while Egerby grew by 28% between 1970 and 1980. This differential growth occurred despite the fact that Egerby County now produces much more oil and gas than Biscayne County. Where an oil boom starts in a region has a powerful influence on where oil service businesses will locate. In the early stages of a boom apparently no one is sure where the center of production will be. Despite modern knowledge and technology, much of the development of a production field seems to proceed by trial and error.

Therefore, in defense of Biscayne's differential response to the boom, it must be admitted that the town was hit harder. The community least able to withstand the onslaught of change felt the most pressure. The events that followed were quite predictable.

There was a soaring crime rate. The practice of economizing had led to an understaffed police force and no night patrol. The town was a pushover for professional criminals. The inefficient fire company generally arrived after the building was lost. Arson became a major form of "sick" recreation. Other forms of

deviance and vagrancy appeared. Shootings and interpersonal violence became commonplace at the more or less unregulated, Wild West honkeytonks within and outside the city limits. Even today, the county still remains a major center for oil field crimes.

Local leadership's response to these changes was depression, withdrawal, and displacement of goals. Many of the older leaders, who had given their lives to the development of a good community faded out, disappointed by what "they" had done to "our" town.[3] There was considerable bitterness against the oil industry. Other leaders withdrew from activity to pursue personal interests, sometimes getting themselves deeply involved in the oil industry. For a two-year period our field workers had difficulty interviewing local leaders, either because they wouldn't talk or were too busy to talk. By implication, corruption moved from the oil patch into county government. Law enforcement and county administrative officials appear to have been "over-cooperative" with pipeline companies. Many local leaders seem to have been cut into "deals."

The upshot of the impacts on Biscayne is that there appears to have been almost a complete turnover in local leadership, both civic and in local government. This change occurred at the expense of great turmoil. As recently as one year ago, the city manager and mayor received threatening phone calls. The town's physical plant has been completely overhauled, local public services have been substantially upgraded, and many new businesses have located in the town. The old elite group has

been largely supplanted. Biscayne remains, but it is not the old community. A new community is occupying the old space and new people are in control.4

That is the story of two central Texas towns impacted by a recent oil and gas boom. Although one was hit earlier and harder by the boom, I have argued that one community, Egerby, survived largely unscathed because of a new, more flexible, set of community leaders. Egerby appeared to have flexibly accomodated to incremental changes before the boom hit, presenting an evolutionary posture. Biscayne addressed itself to the past and experienced a revolutionary change in its organization when the boom hit.

I think the message of this tale of two cities is clear. The quality of community governance is an important characteristic in how a community weathers an oil boom. Communities run by tight, old guard cliques, impenetrable to new and younger people, will not weather energy developments well. They will experience costly and revolutionary change as they try to catch up. On the other hand, communities with a more permeable, open-type of leadership structure may successfully survive booms with a minimum of painful readjustment.

FOOTNOTES

[1] Pseudonyms of indifferent felicity.

[2] In contrast, Cortese and Jones (1977:84) observe, "*in every community in which we have experience,* there was a high and sometimes complete turnover in leadership positions."

[3] Cortese and Jones (1977:86-87) outlined personal responses to change. Two of the categories they mention are (a) maintaining the status quo and (b) leaving the situation. Those who attempted to maintain the status quo ". . . were the ones most likely to find themselves bumped from their roles by newcomers or other residents." They go on, "Flight from a bad situation can take the form of leaving the role that is changing (sell the store, resign from public office) or it can take the more extreme form of leaving the community entirely." Like Cortese and Jones, we did not find oldtimers leaving Biscayne.

[4] Cortese and Jones (1977:86) put it, ". . . the longtimer in a boom town wakes up one morning in his own bed but in a different town."

[5] Albrecht (1982:303) might interpret the differences in impact between Biscayne and Egerby somewhat differently. "Finally, the virtual absence of a well-developed local infrastructure in the form of adequate schools, medical facilities and personnel, law enforcement, recreation facilities, and so on increases the potential of severe impacts, at least during the early stages of growth." We are claiming that these differences in infrastructure stem from variations in style of community leadership.

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